

**Joint Legislative Audit and Review Commission
of the Virginia General Assembly**



**Preliminary Overview:
Organization and Funding of
Workforce Training Programs in Virginia**

**Staff Briefing
July 8, 2002**

Introduction

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Presentation Outline

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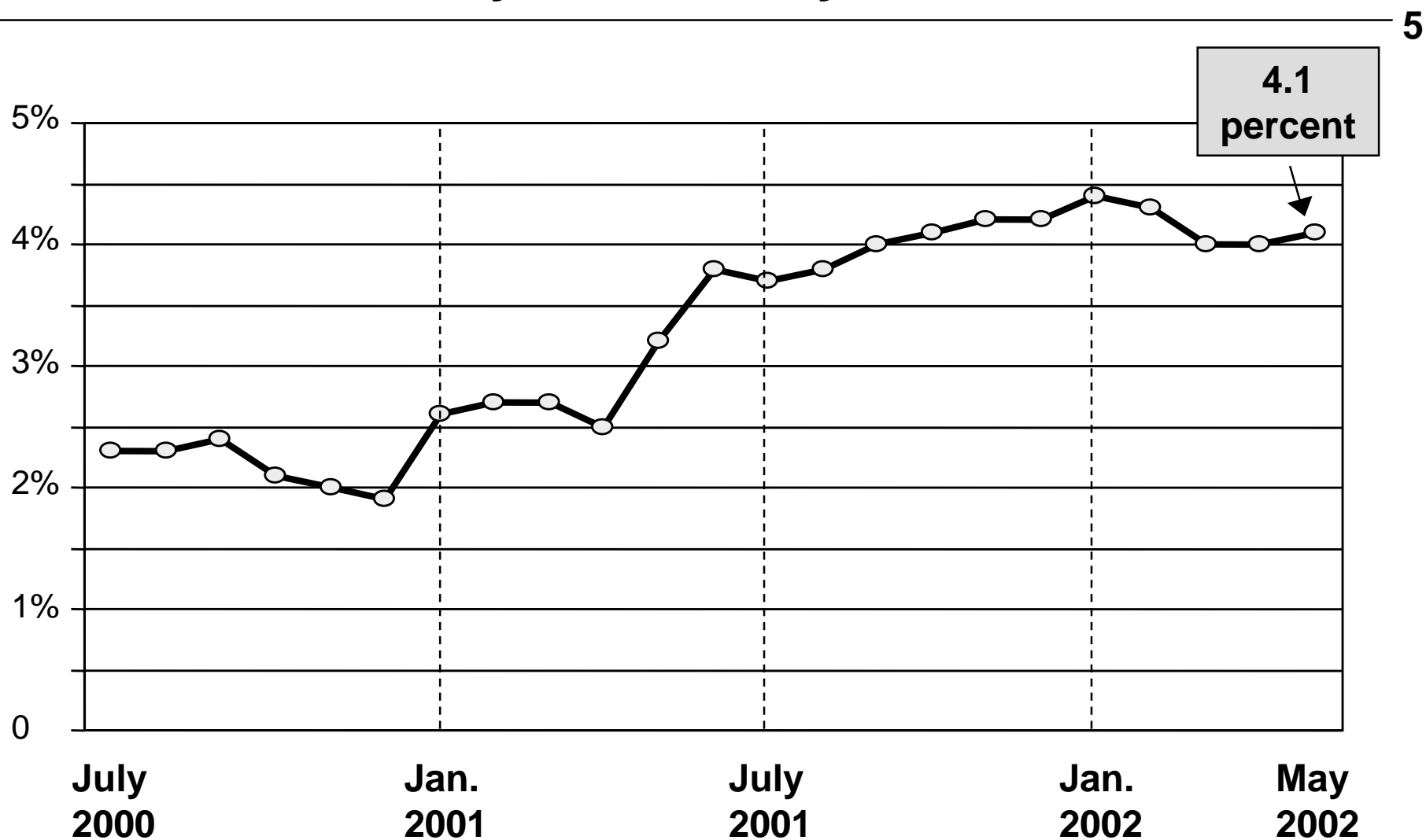
- ☒ **Study Mandate and Issue Summary**
- ☐ **The Workforce Investment Act (WIA)**
- ☐ **State Organization and Funding of Workforce Training Programs**
- ☐ **Conclusion and Issues for the November Briefing**

Study Mandate

- Based on the authority provided through Sections 30-56 to 30-63 of the *Code of Virginia*, the Commission directed JLARC staff to conduct a review of workforce training in Virginia.
- Item 130 E.2 of the 2002-2004 Appropriation Act directs JLARC to review the administration of the Workforce Investment Act by the Virginia Employment Commission and whether responsibility should be transferred to another State agency.

Virginia's Unemployment Rate

July 2000 – May 2002



Source: Virginia Employment Commission

Issue for Review

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- This interim briefing provides descriptive information based on the following issue question:

How are workforce training programs organized and funded in Virginia?

Research Activities

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- **The principle research methods employed to examine the organization and funding of workforce training programs included:**
 - **Structured interviews with administrators at various agencies, such as the Virginia Employment Commission (VEC) and the Virginia Community College System (VCCS)**
 - **Survey of program directors**
 - **Review of Appropriation Acts, the *Code of Virginia*, and federal legislation guiding workforce training programs**

Summary

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- There are currently 22 programs administered by 10 agencies in three secretariats that fund, provide, or administer workforce training services.
- In State fiscal year 2001, \$275 million in federal, State, and local funding was appropriated for these programs.
- 11 of the 17 programs mandated to partner with the WIA service delivery system are workforce training programs.
- Although 68 percent of the funding is from federal grants, the State has flexibility in coordinating programs.

Presentation Outline

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- ☐ Study Mandate and Issue Summary
- ☒ The Workforce Investment Act
- ☐ State Organization and Funding of Workforce Training Programs
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Workforce Investment Act

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- In 1998, the President signed into law the Workforce Investment Act (WIA), which replaced the Job Training Partnership Act (JTPA) of 1982.
- The purpose of WIA, as published in the Federal Register, August 2000:

To provide workforce investment activities that increase the employment, retention and earnings of participants, and increase occupational skill attainment by participants, which will improve the quality of the workforce, reduce welfare dependence, and enhance the productivity and competitiveness of the Nation's economy. These goals are achieved through the workforce investment system.

Workforce Investment Act (WIA)

(continued)

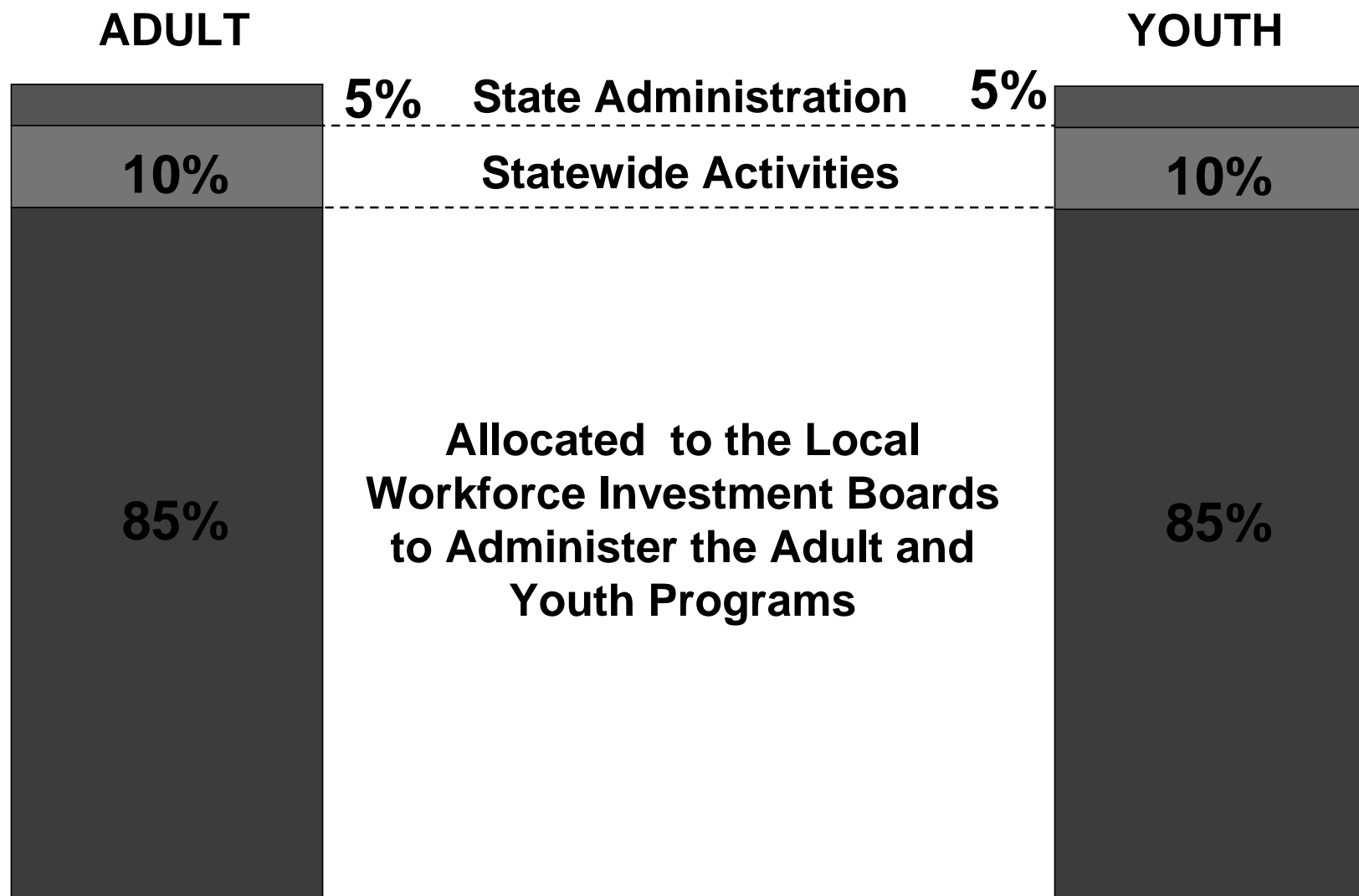
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■ The Workforce Investment Act:

- 1) authorized three funding streams to provide employment and training services to adults, youth, and dislocated workers,**
- 2) required the establishment of a “one-stop” service delivery system that consists of:**
 - a lead agency,**
 - a State policy board,**
 - workforce investment areas,**
 - local workforce investment boards,**
 - a comprehensive one-stop in each area, and**
 - the presence of 17 federally funded programs at the one-stops.**

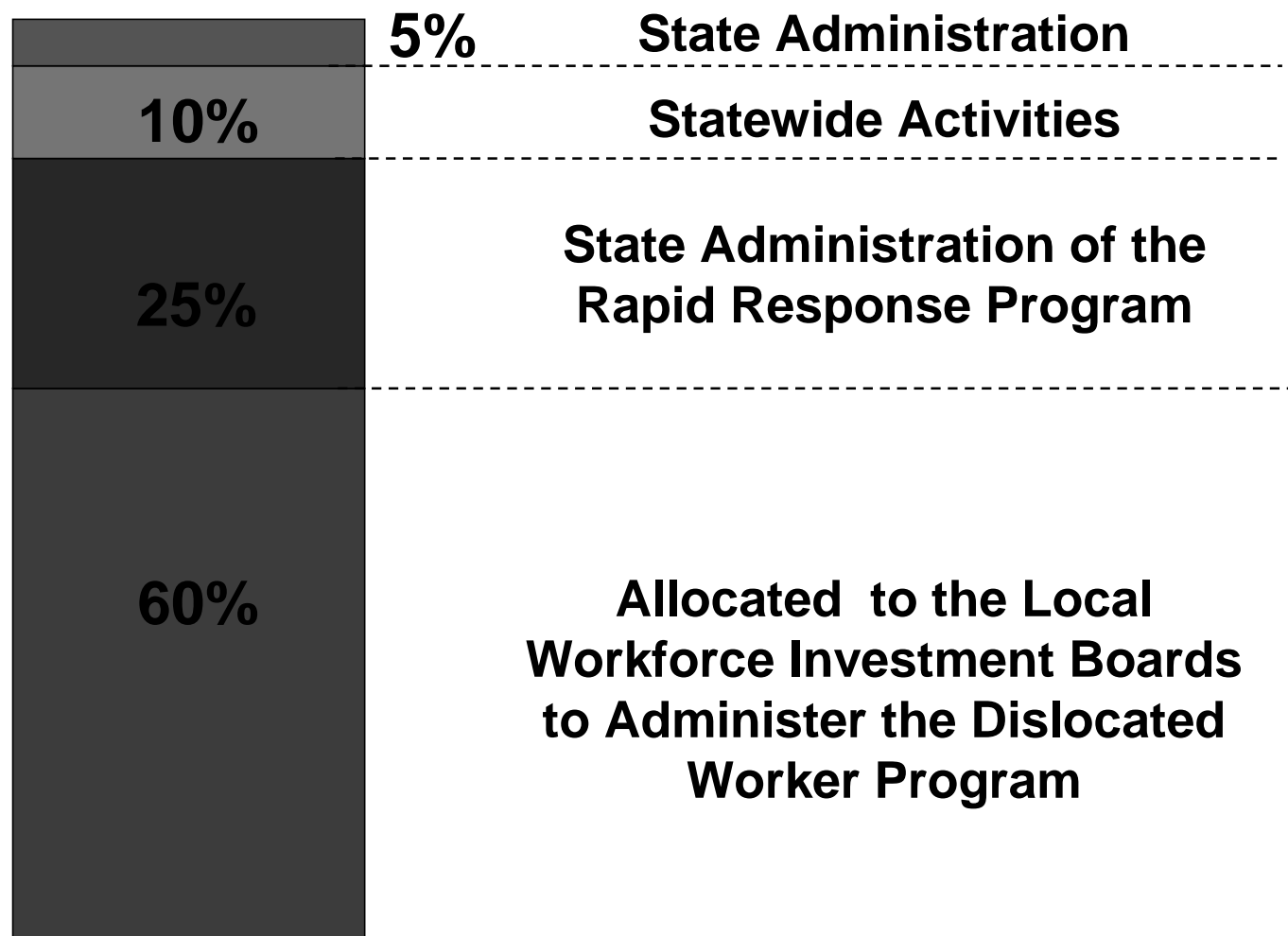
WIA Funding Adult and Youth Programs

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WIA Funding Dislocated Worker Program

13



WIA Funding Rapid Response Program

14

- **Federal law requires the program to serve employees at businesses that are planning a layoff of 50 or more workers.**
 - **Virginia responds to businesses that lay off 25 or more workers.**
- **When a layoff occurs, staff from the Virginia Employment Commission (VEC) and other agencies go onsite to the business to provide information about various community services for which the workers may be eligible, upon layoff.**
- **The Rapid Response Program also funds the infrastructure for the Coordinated Economic Relief Centers (CERCs) established by the Governor's Economic Crisis Strike Force.**

WIA Funding Statewide Activities

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Statewide Activities Funds

10%

From Adult
Program

10%

From Youth
Program

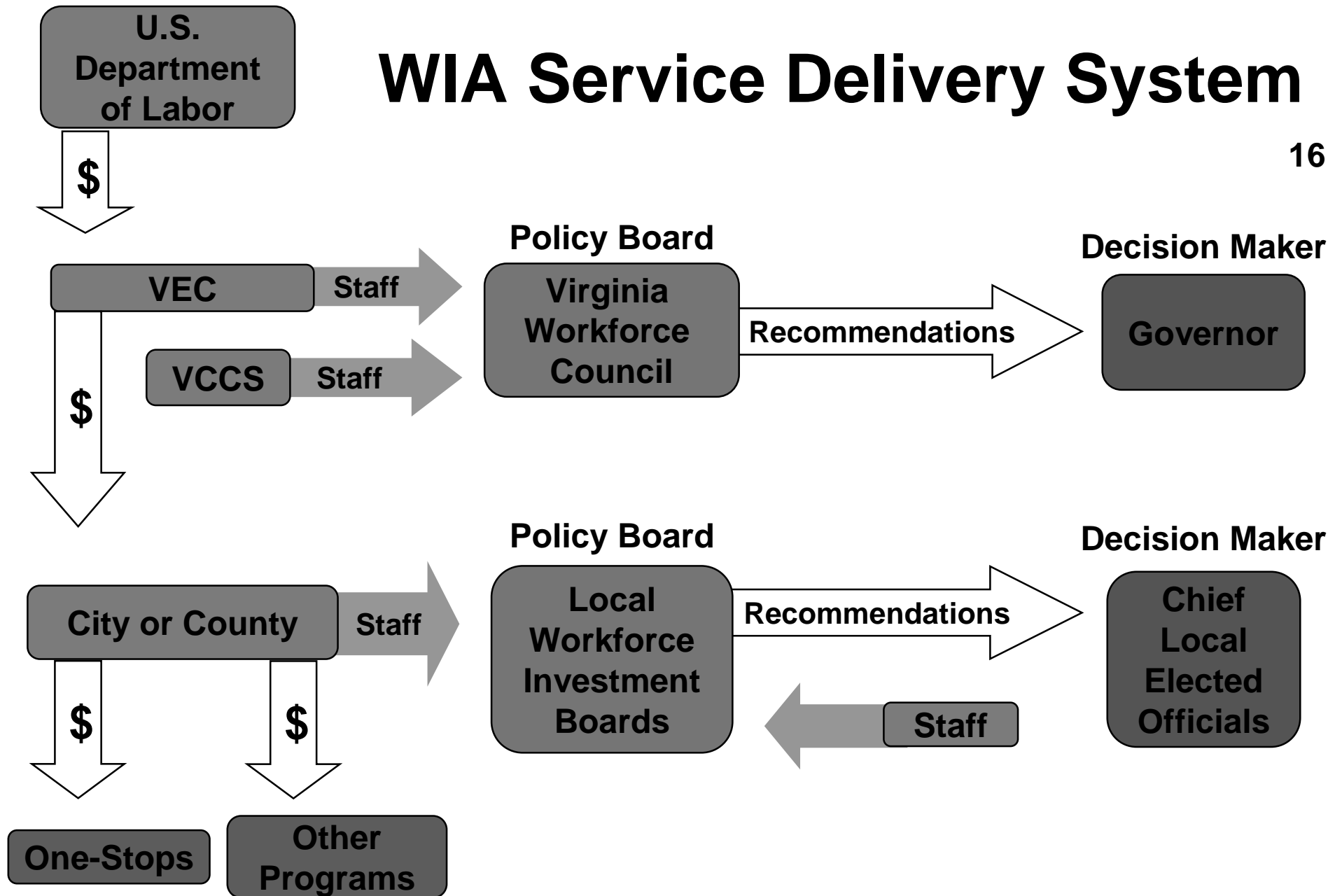
10%

From Dislocated
Worker Program

Funding is
co-mingled at the
State level to
administer
statewide activities

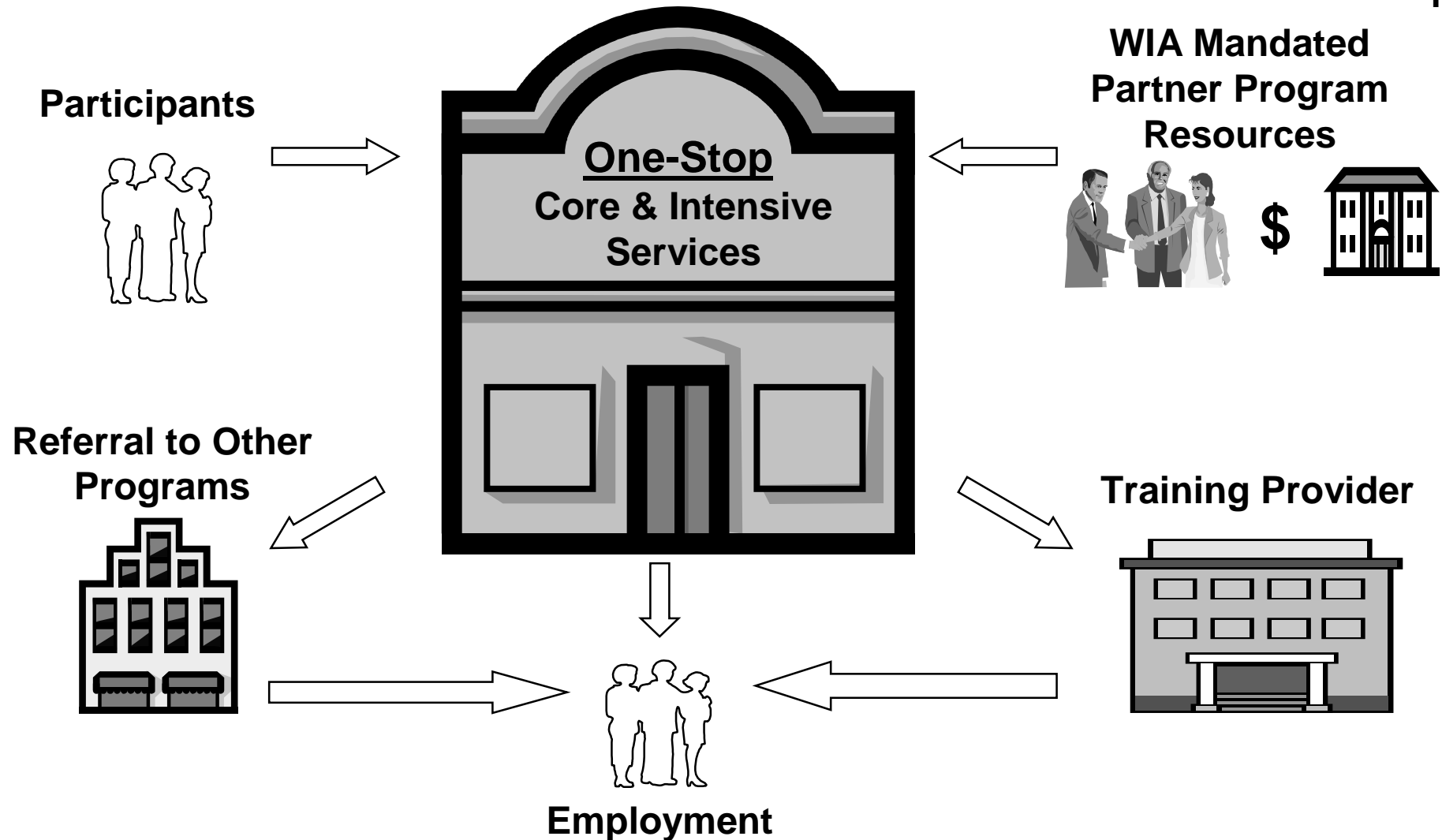
WIA Service Delivery System

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“Model” WIA One-Stop System

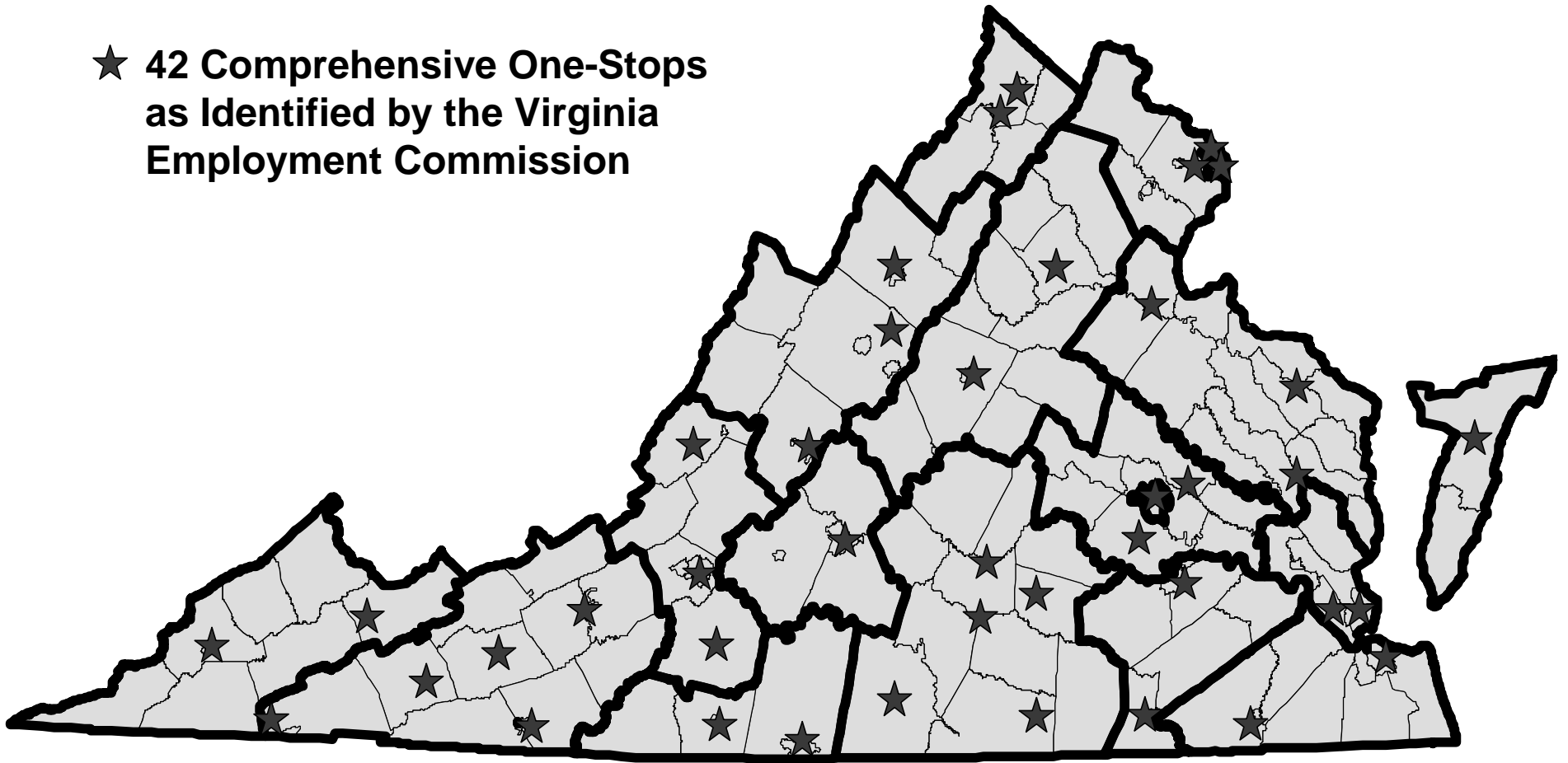
17



17 WIA Regions

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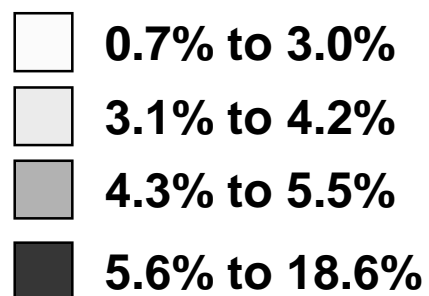
★ 42 Comprehensive One-Stops
as Identified by the Virginia
Employment Commission



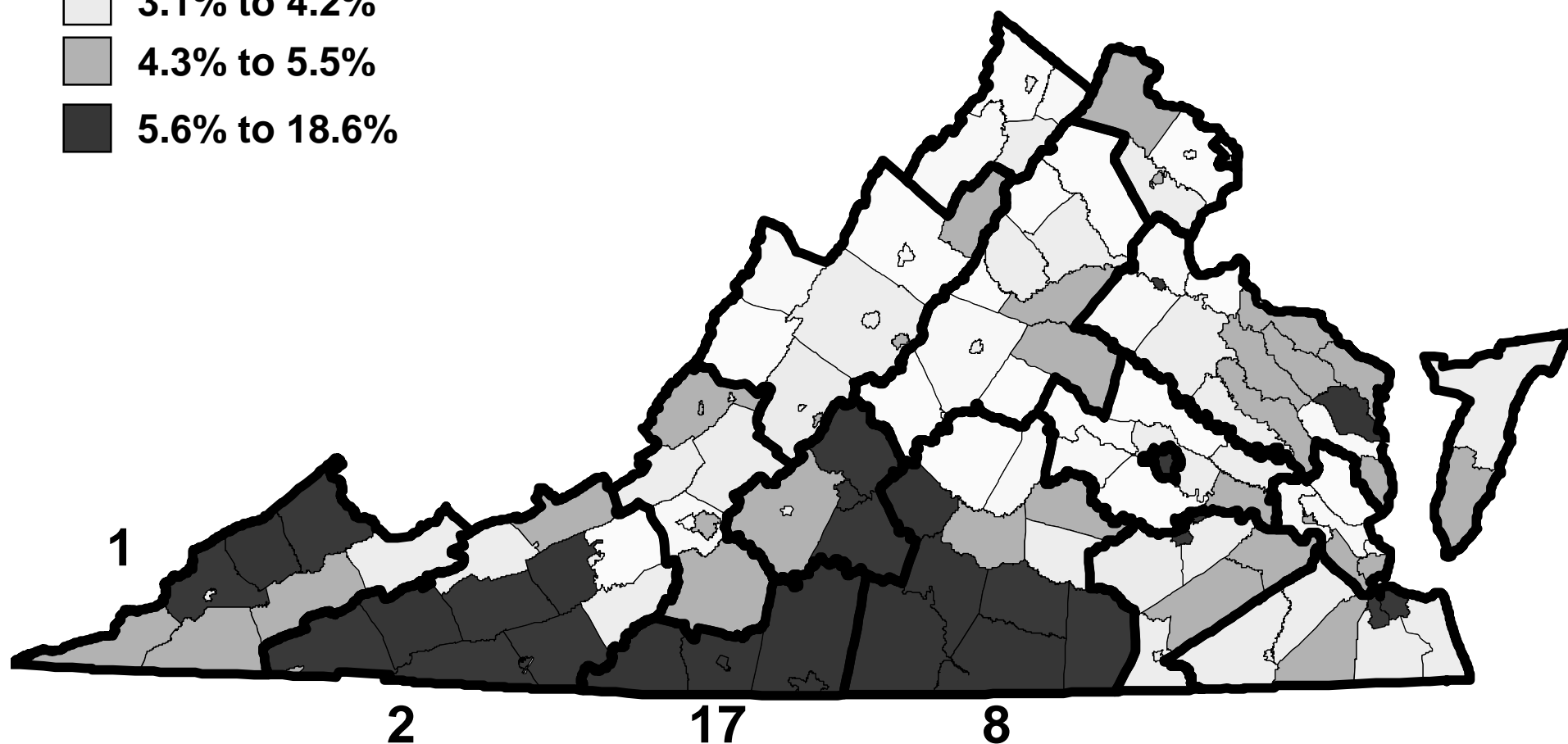
Unemployment Rates by Locality

May 2002

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State Unemployment Rate = 4.1%



17 WIA Mandated Partner Programs

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State Administered Workforce Training Programs

1. WIA Adult Program
2. WIA Dislocated Worker Program
3. WIA Youth Program
4. Employment Service
5. Trade Adjustment Assistance
6. Employment and Training for Veterans
7. Adult Career and Technical Education
8. Adult Education and Family Literacy
9. Vocational Rehabilitation Services
10. Welfare-to-Work
11. Senior Community Service Employment Program

Supportive Services Programs

12. Unemployment Insurance
13. Community Service Block Grants
14. HUD Employment and Training Programs

Programs Not Administered by the State

15. Job Corps
16. Migrant and Seasonal Farmworker Employment and Training Services
17. Native American Employment and Training Program

Presentation Outline

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JLARC Definitions of Workforce Training

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- The following definitions of workforce training programs guide this review:
 - The JLARC General Definition of workforce training: *any education or training that enhances the ability of an individual to gain, sustain or advance in self-supporting employment.*
 - The JLARC Operational Definition of workforce training: *shorter term training programs funded with State and federal dollars that provide the skills necessary to gain, sustain, or advance in a specific job or career.*

State Administered Programs that Meet the JLARC Operational Definition of Workforce Training

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WIA Mandated Partner Programs

WIA Adult Program

WIA Dislocated Worker Program

WIA Youth Program

Employment Service

Trade Adjustment Assistance

Employment and Training for
Veterans

Adult Career and Technical
Education

Adult Education and Family Literacy

Vocational Rehabilitation Services

Welfare-to-Work

Senior Community Service
Employment Program

Other Programs

Virginia Initiative for Employment Not Welfare

Food Stamp Employment and Training Program

Economic and Employment Program for
Disadvantaged Persons

Opportunity Knocks

Centers for Employment and Training

Occupational Adult and Career and Technical
Education

Education for Independence

Virginia Registered Apprenticeship Program

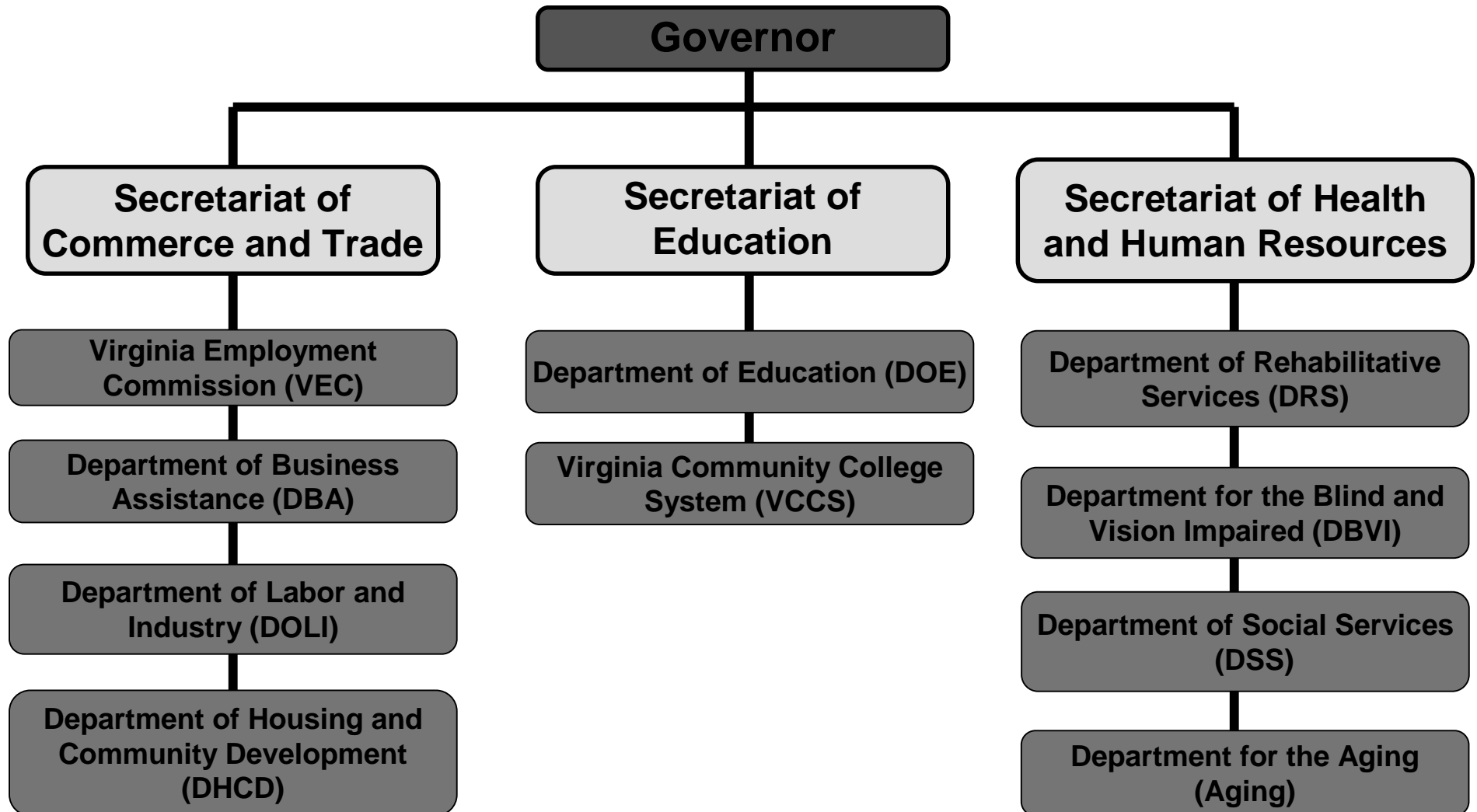
Workforce Training for Regional
Competitiveness Partnerships

Workforce Development Services Program

Workforce Services

Organization of Agencies Administering Workforce Training Programs

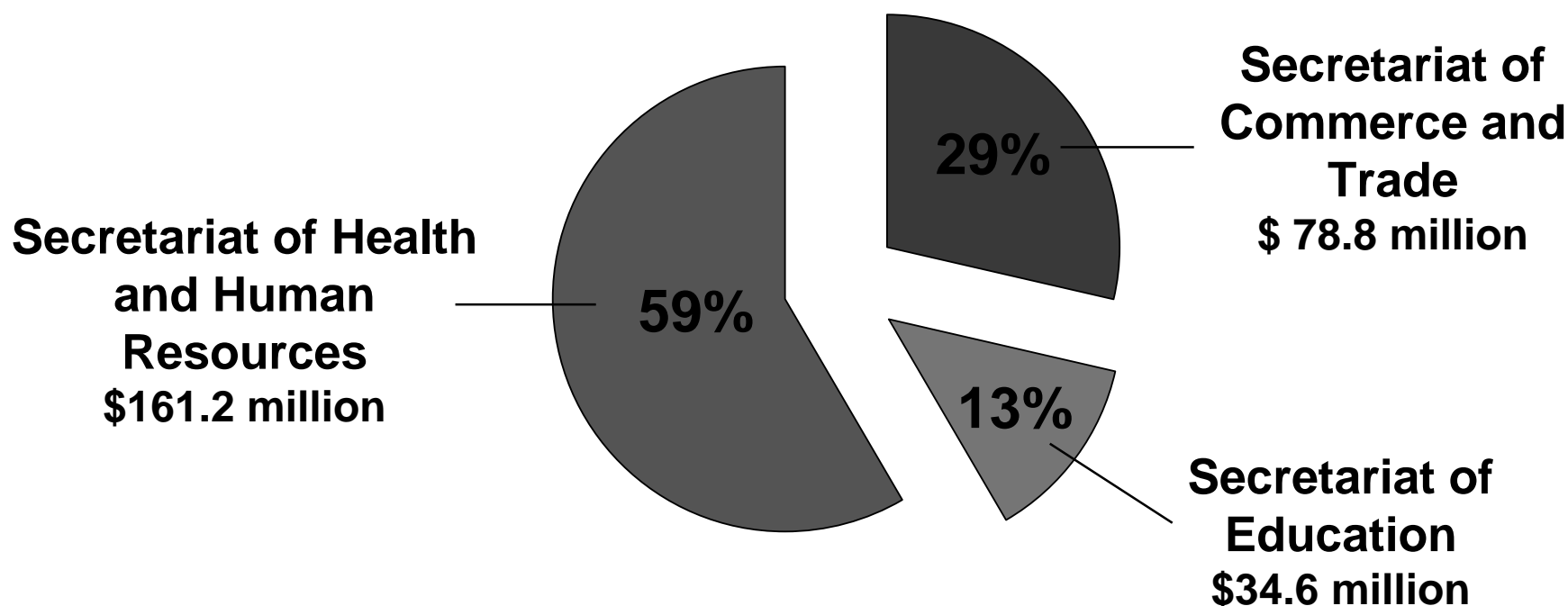
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Funding of Workforce Training Programs by Secretariat

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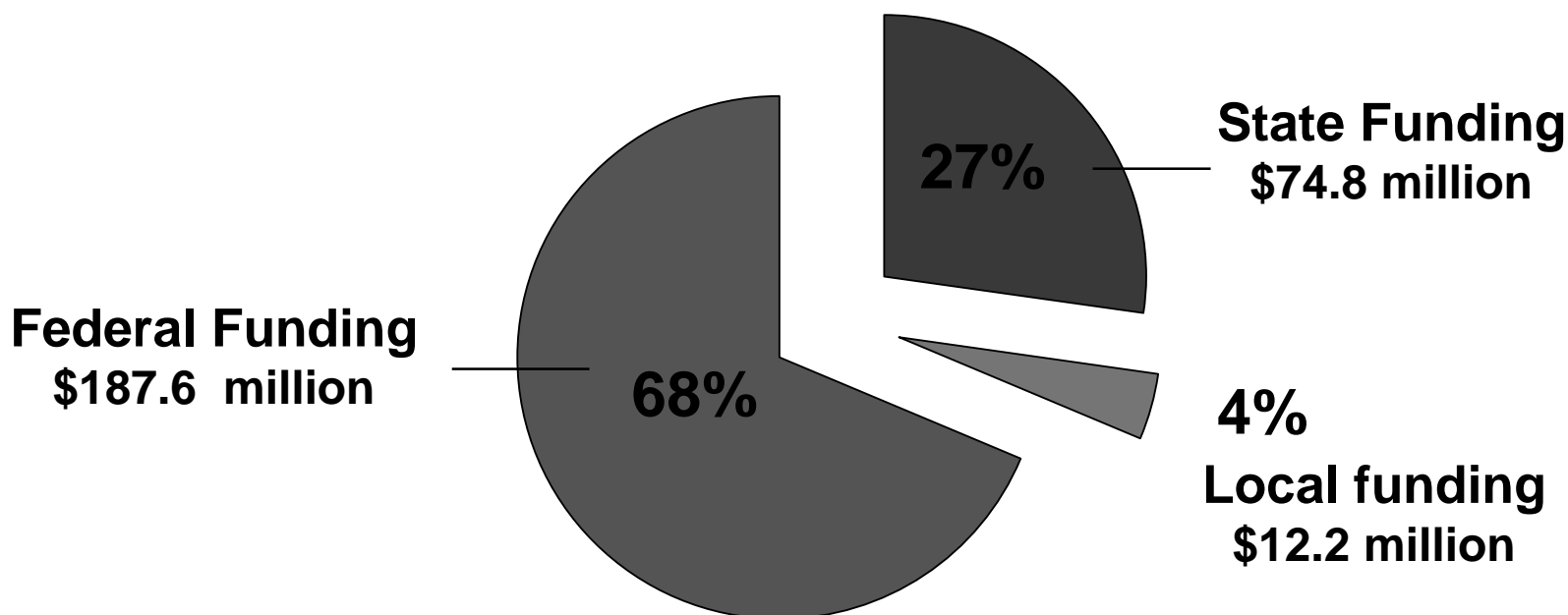
Total Funding = \$275 million
(fiscal year 2001)



Funding of Workforce Training Programs by Funding Source

26

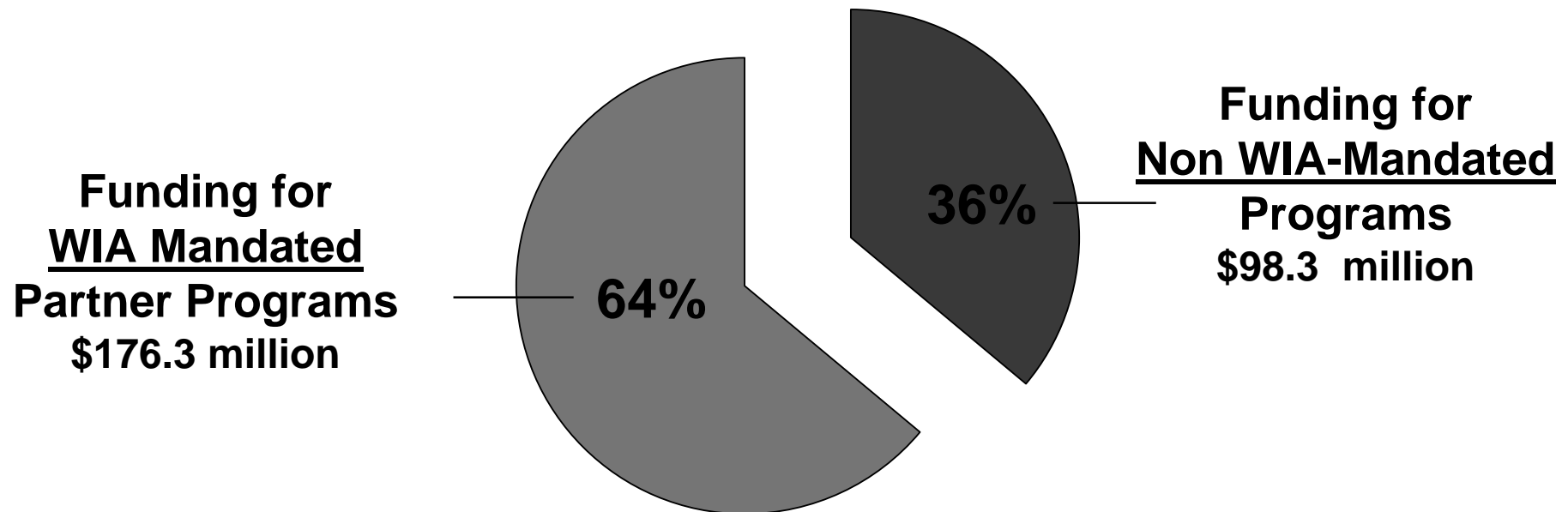
Total Funding = \$275 million
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Funding of WIA Mandated and Non-Mandated Programs

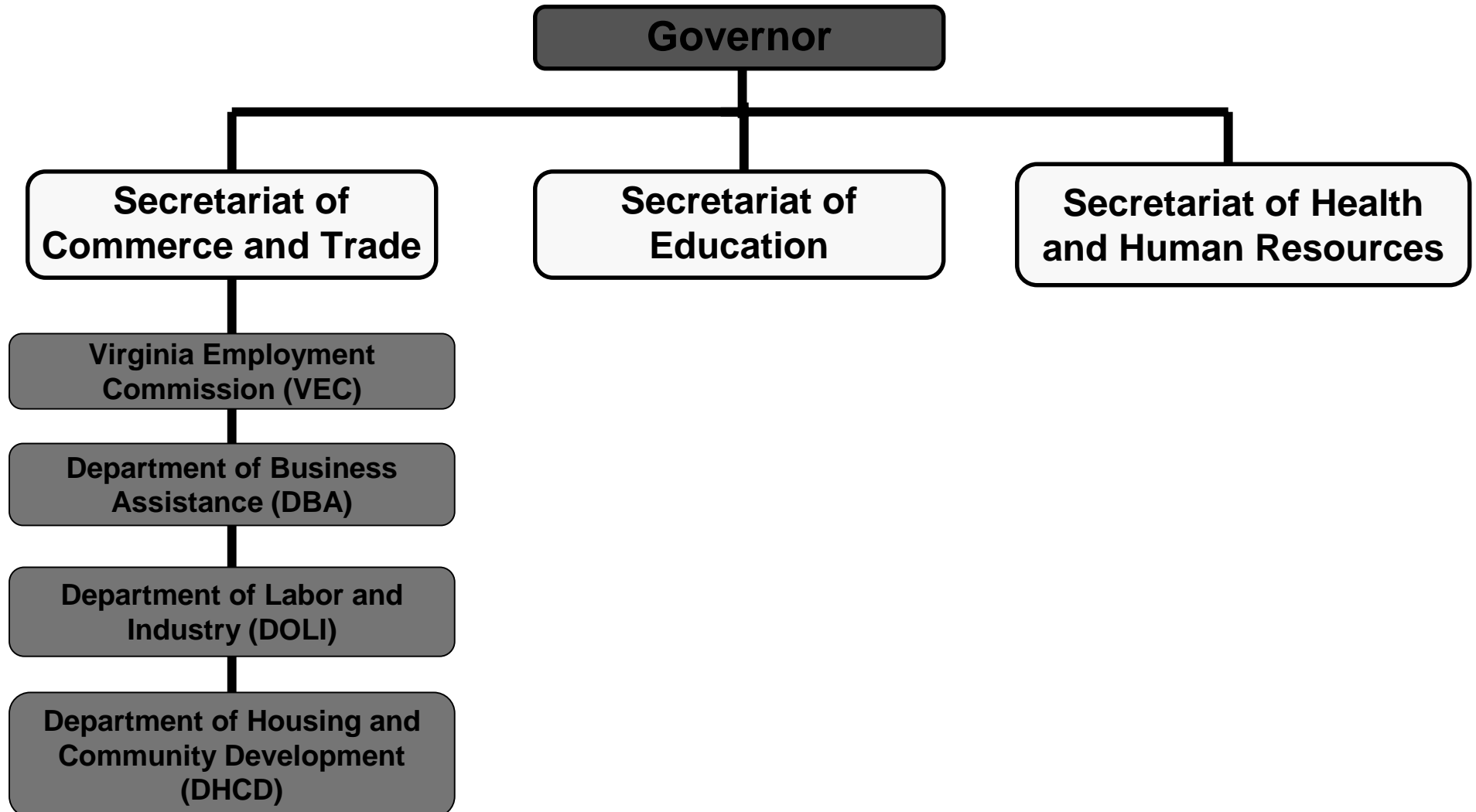
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Total Funding = \$275 million
(fiscal year 2001)



Secretariat of Commerce and Trade

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Secretariat of Commerce and Trade

(FY 2001, in millions)

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Virginia Employment Commission (VEC)

	<u>Federal Funding</u>
■ WIA Adult*	\$12.5
■ WIA Youth*	16.5
■ WIA Dislocated Worker*	12.4
■ Employment Service*	16.3
■ Trade Adjustment Assistance*	4.5
■ NAFTA Transitional Adjustment Assistance*	0.0
■ Employment and Training for Veterans*	3.1
	<u>\$65.3</u>

- The programs administered by VEC are funded entirely with federal dollars and are mandated to partner with the WIA system.

*WIA Mandated Partners

Secretariat of Commerce and Trade

(continued)
(FY 2001, in millions)

30

Virginia Employment Commission (VEC)

WIA Adult	\$12.5
WIA Youth	16.5
WIA Dislocated Worker	12.4

\$41.4

times 10%

**\$4.1 million
for Statewide activities**

22%

12%

66%

**Education for
Independence**
(\$0.9 million)

Skills Centers
(\$0.5 million)

**Other
Statewide
Activities**
(\$2.7 million)

Secretariat of Commerce and Trade

(continued)

(FY 2001, in millions)

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Department of Business Assistance (DBA)

State General Funds

■ Workforce Services

\$13.6

- The workforce services program provides businesses that are relocating or expanding in Virginia funding and services to train their new workers.

Secretariat of Commerce and Trade

(continued)

(FY 2001, in millions)

32

Department of Labor and Industry (DOLI)

State General Funds

- | | |
|----------------------------------------------|-------|
| ■ Virginia Registered Apprenticeship Program | \$0.7 |
|----------------------------------------------|-------|

- The Virginia Registered Apprenticeship Program is a combination of on-the-job training and related instruction.
- DOLI registers apprenticeship programs and monitors the on-the-job training component. The Virginia Community College System assists sponsors with the related instruction component.

Secretariat of Commerce and Trade

(continued)

(FY 2001, in millions)

33

Department for Housing and Community Development (DHCD)

State General Funds

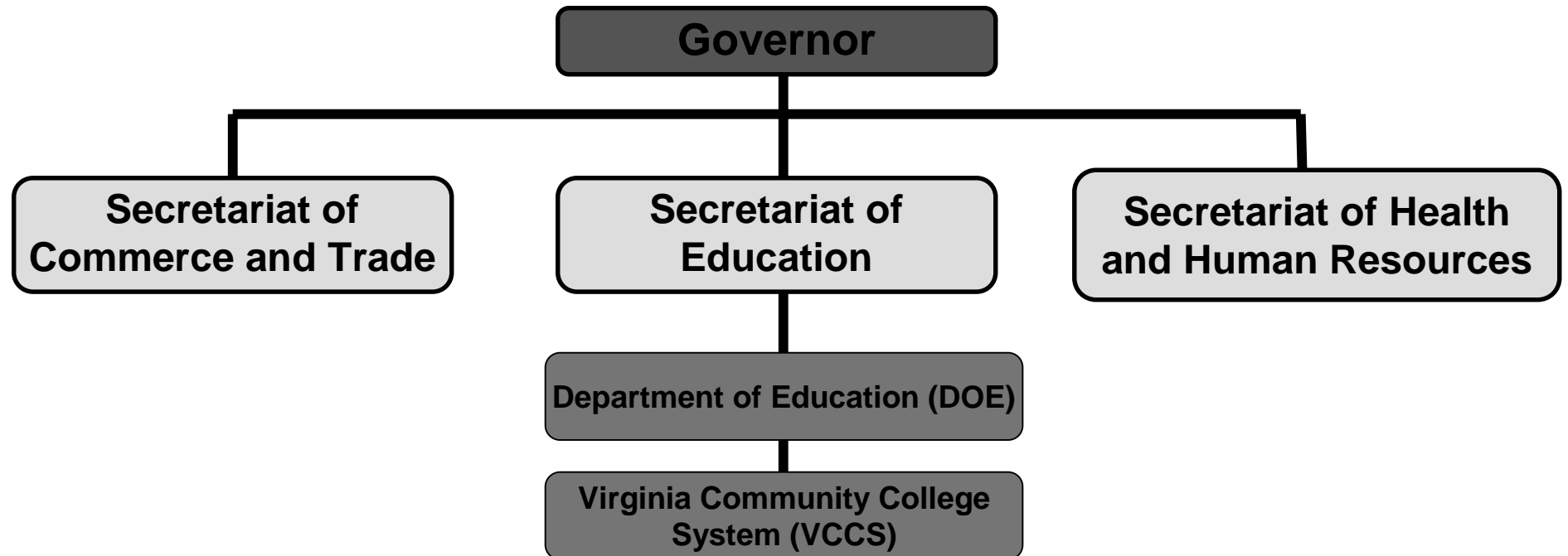
- Workforce Training for Regional Competitiveness Partnerships

\$0.0

- The General Assembly created this program in its 2002 session and allocated \$2 million annually for the 2002-2004 biennium.
- DHCD is currently creating the policy for administering the program.

Secretariat of Education

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Secretariat of Education

(FY 2001, in millions)

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Department of Education (DOE)

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
■ Adult Education and Family Literacy*	\$ 11.1	\$2.5	\$2.9	\$16.5
■ Occupational Adult and Career and Technical Education	0.0	2.4	4.5	6.9
■ Education for Independence (EFI)	2.4	0.0	0.0	2.4
				<u>\$25.8</u>

- Adult Education and Literacy provides GED and Adult Basic Education courses to adults who do not have a high school degree.
- Occupational Adult and Career and Technical Education provides night school classes to adults through local school districts.
- The EFI program received \$1.5 million from the Temporary Assistance for Needy Families reserve funds and \$0.9 million from the WIA statewide activities funds.

* WIA Mandated Partners

Secretariat of Education

(continued)

(FY 2001, in millions)

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Virginia Community College System (VCCS)

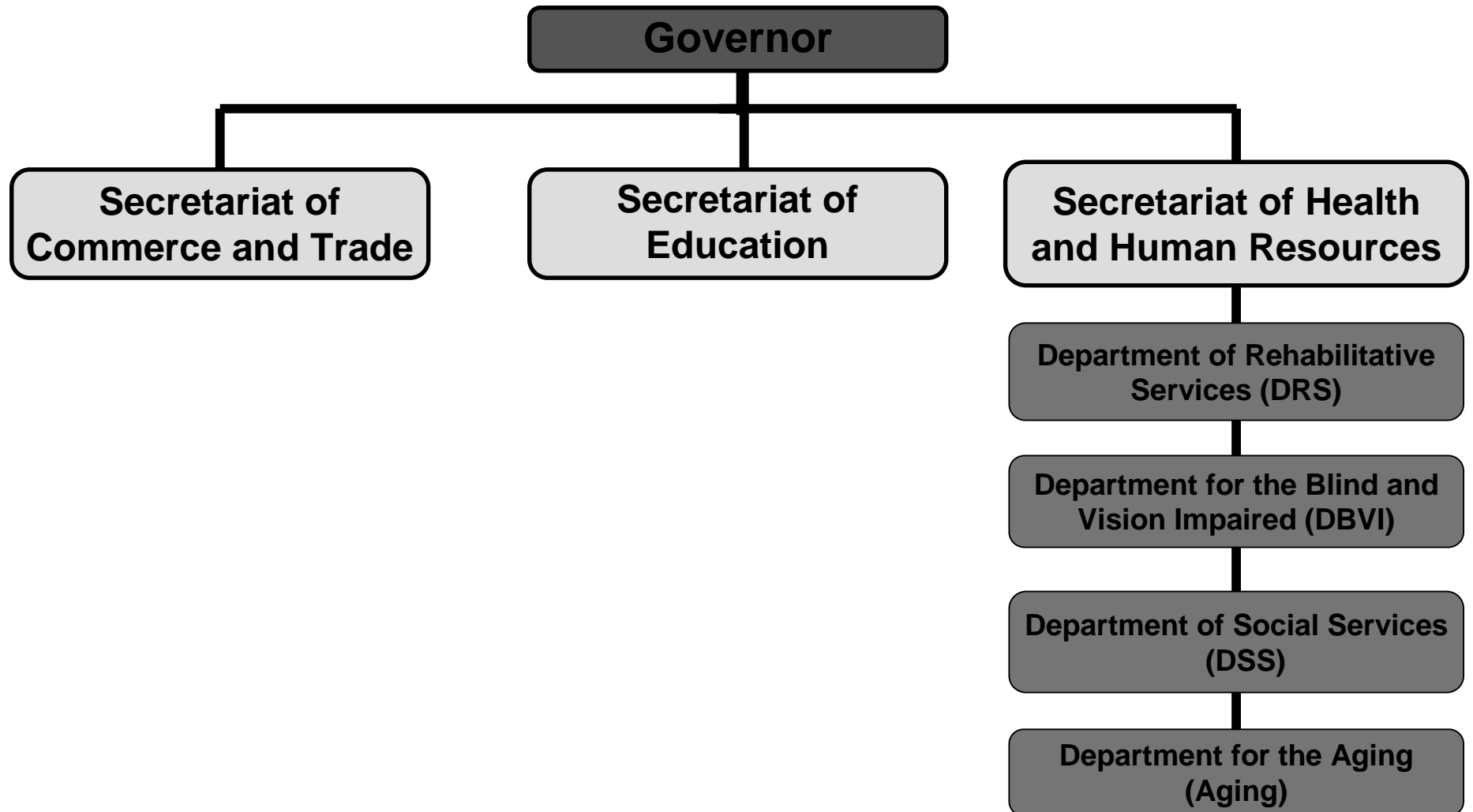
	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
■ Workforce Development Services (WDS) Centers	\$ 0.0	\$4.5	\$0.0	\$4.5
■ Adult Career and Technical Education*	3.3	0.0	0.0	3.3
■ Virginia Apprenticeship Program	0.0	1.0	0.0	1.0
				<hr/> \$8.9

- WDS centers, located at each of the community colleges, coordinate non-credit courses. Some of the courses are developed for open enrollment, while others are developed for a specific business or industry.
- The Adult Career and Technical Education program funds the staffing and curriculum development for courses provided through the community colleges.
- VCCS provides assistance and oversees the related instruction component of the Virginia Apprenticeship Program.

* WIA Mandated Partners

Secretariat of Health and Human Resources

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Secretariat of Health and Human Resources

(FY 2001, in millions)

38

Department of Rehabilitative Service (DRS)

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
■ Vocational Rehabilitation Program*	\$ 58.8	15.9	0.0	\$74.7

Department for the Blind and Vision Impaired (DBVI)

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
■ Vocational Rehabilitation Program*	\$ 7.1	1.9	0.0	\$9.0

- The Vocational Rehabilitation Program has the largest amount of funding of all of the workforce training programs.

* WIA Mandated Partners

Secretariat of Health and Human Resources (continued)

(FY 2001, in millions)

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Department of Social Services (DSS)

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
■ Virginia Initiative for Employment Not Welfare	\$ 31.1	30.4	0.0	61.6
■ Food Stamp Employment and Training Program	4.6	1.3	0.0	5.9
■ Economic and Employment Program for Disadvantaged Persons	0.2	0.0	0.0	0.2
■ Centers for Employment and Training	1.0	0.0	0.0	1.0
■ Opportunity Knocks	0.5	0.0	0.0	0.5
■ Welfare-to-Work*	0.0	0.5	4.6	5.1
				<u>\$74.3</u>

- Only the Welfare-to-Work program is mandated to partner with the WIA service delivery system.
- All of these workforce training programs target clients who are low-income and/or recipients of public assistance.

* WIA Mandated Partners

Secretariat of Health and Human Resources (continued)

(FY 2001, in millions)

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Department for the Aging

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
■ Senior Community Service Employment Program*	\$ 3.0	\$0.2	\$0.0	\$3.2

- There are five national non-profit agencies in Virginia that administer this program in addition to the Department for the Aging.

* WIA Mandated Partners

Presentation Outline

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Conclusion

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- **Virginia administers 22 workforce training programs through 10 State agencies in three secretariats.**
- **Although over two thirds of the \$275 million supporting these programs in FY 2001 were federal funds, the State does have the flexibility to coordinate the various programs.**
- **However, there is currently no central coordination of workforce training programs at the State level.**
- **At the local level, 11 of the 22 workforce training programs are mandated to partner by federal law.**

Other Study Issues

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- **Has the proliferation of providers diluted Virginia's training effort?**
 - **Could coordination be more focused at the State Level?**
- **What performance measures are currently in place to evaluate workforce training programs and how are programs faring according to those measures?**
- **Are local areas effectively administering and coordinating workforce training?**
- **Is the Virginia Employment Commission effectively administering the Workforce Investment Act?**
- **Should the administration of the Workforce Investment Act be transferred to an agency other than the Virginia Employment Commission?**

Project Schedule for the Final Report

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- | | |
|-----------------------------------|------------------------|
| ■ Data collection | Spring and Summer 2002 |
| ■ Analysis and report
drafting | Fall 2002 |
| ■ Commission briefing | November 19, 2002 |